

Charity registration number 1120420 (England and Wales)

Company registration number 05698045

THE ISLAND N1
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE ISLAND N1

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr L J Beardmore Mr P J Devlin Mr L J Vincent Ms E Fiorentini Mr J Bishop Mr R N Purrington	(Appointed 12 September 2025)
Charity number (England and Wales)	1120420	
Company number	05698045	
Registered office	Pavilion 2000 Amy Johnson Way Clifton Moor York YO30 4XT	
Auditor	Henton & Co LLP 124 Acomb Road York YO24 4EY	

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THE ISLAND N1

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Island exists to enhance the quality of life for children and young people facing challenges without a trusted adult in their lives through sustainable quality mentoring relationships. It recruits, trains, and supervises volunteers who mentor vulnerable children and young people referred to the service by schools, statutory and non-statutory agencies, or parents and carers.

The Island N1 is a registered charity that has been operating since August 2007. It offers support to vulnerable 8 to 18 year-olds in York who are struggling to cope at home, school, or in the wider community, or who are experiencing difficult transitions in their lives. It matches these young people with volunteer mentors with whom they meet on a weekly basis over a minimum of six months. This allows them to develop supportive, ongoing relationships, whilst also providing them with the undivided attention and 'islands of space and time' they need to increase their confidence and self-esteem, participate in worthwhile recreational activities, and move forward in their lives.

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks. A Risk Register is kept and regularly reviewed.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

Over the past year, The Island has continued to make significant strides in supporting vulnerable young people, offering vital resources, education, mentorship, and safe spaces for growth and unlocking potential. Through workshops, and community partnerships, we've impacted over a hundred lives, helping young people overcome challenges and thrive.

During the year, the charity has secured planning permission for the new children's centre. Given that the initial work was carried out pre-Covid, and that the costs of the project have increased significantly from initial estimates, the Trustee board have launched a strategic review to ensure the best position for the charity going forward. The outcome of this review will be published when completed.

On 30th April 2025, after 18 years of service, the CEO, Nigel Poulton, resigned from The Island having delivered the planning permission for the new facility and passed the baton to the new trustee board. In the intervening period, the CEO role has been undertaken by Paul Devlin, Trustee and Treasurer, until the outcome of the strategic review is finalised.

Fundraising practices

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The charity actively raises funds from the public directly and via use of an agent.

The charity has opted to be voluntarily regulated by the Fundraising Regulator and the most recent registration is effective for the year ending 31st March 2025. The charity has received no complaints in relation to fundraising activity for the year under review.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Financial review

During the financial year 2024/25 The Island achieved total income of £283,058 compared with prior year 2023/24 £381,552. Total expenditure for 2024/25 was £1,107,815, including an impairment of freehold land totalling £816,663. Total expenditure excluding the impairment was £291,152, down from £477,274 for 2023/24. This gives a net deficit of £8,094 before the impairment, and £824,757 including the impairment for the year, compared to a deficit of £95,722 for 2023/24. This is a major year on year improvement. The focus in the year was reduction in costs until such times there was clarity on the planning process.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The level of unrestricted funds has fallen below this level as a result of the impairment of freehold land.

Total reserves held are £467,457 of which £164,610 are restricted/designated. Of the £164,610 restricted funds £120,000 have been restricted for the purposes of the Huntington development.

Unrestricted funds are £302,847 this year.

Structure, governance and management

The charity is operated under the rules of its Memorandum and Articles of Association adopted on 14 December 2005 as amended on 13 April 2022.

The charity is a company limited by guarantee, incorporated under the Companies Act 1985 on 4 February 2006 (company number 05698045) and obtained charitable status on 2 August 2007 (registered charity number 1120420).

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr L J Beardmore

Mr P J Devlin

Mr J P Barwick (Resigned 12 September 2025)

Mr L J Vincent

Ms S Barwick (Resigned 12 September 2025)

Ms E Fiorentini

Mr J Bishop

Mr E J Binks (Resigned 24 June 2024)

Mr J Kay (Appointed 8 November 2024 and resigned 1 May 2025)

Mr R N Purrington (Appointed 12 September 2025)

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Recruitment and appointment of trustees

Trustees are elected and/or co-opted under the terms of the Articles of Association.

The Trustees meet on a regular basis, to monitor progress and to review policies and procedures. These meetings include our CEO and Manager of Mentoring Services to ensure a cohesive approach to the management of the charity.

The financial controls, procedures and reporting is made on a regular basis, and managed diligently by our Finance and HR office, in liaison with the Treasurer, at the finance subgroup. Budgets are set at the start of the financial year, and a report and financial summary given by the Treasurer at the Trustee's meetings.

The Island Trustee Board makes all key decision that are routinely brought to the Trustee's meetings. Outside of these, e-mail consultation is regularly used to progress matters.

The charity has put in place an annual Skills audit of the Trustees, to ensure we have a broad set of skills and experience in place, and new Trustees are given an initial induction, and further training is given if required.

Auditor

In accordance with the company's articles, a resolution proposing that Henton & Co LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to the small companies exemption.

The trustees' report was approved by the Board of Trustees.

Mr L J Beardmore

Trustee

26 March 2026

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of The Island N1 for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ISLAND N1

Opinion

We have audited the financial statements of The Island N1 (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE ISLAND N1

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had any knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE ISLAND N1

Jess Harrison (Senior Statutory Auditor)

For and on behalf of Henton & Co LLP, Statutory Auditor

Chartered Accountants

124 Acomb Road

York

YO24 4EY

26 March 2026

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

Current financial year		Unrestricted funds	Endowment funds designated	Restricted funds	Total	Total
		2025	2025	2025	2025	2024 as restated
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	98,874	-	175,198	274,072	339,702
Charitable activities	4	1,400	-	-	1,400	1,860
Other trading activities	5	7,576	-	-	7,576	24,988
Investments	6	10	-	-	10	17
Other income	7	-	-	-	-	14,985
Total income		107,860	-	175,198	283,058	381,552
Expenditure on:						
Raising funds	8	5,636	-	872	6,508	9,738
Charitable activities	9	925,841	-	174,346	1,100,187	467,536
Other expenditure	15	-	1,120	-	1,120	-
Total expenditure		931,477	1,120	175,218	1,107,815	477,274
Net expenditure		(823,617)	(1,120)	(20)	(824,757)	(95,722)
Transfers between funds		989,020	(61,880)	(927,140)	-	-
Net movement in funds	11	165,403	(63,000)	(927,160)	(824,757)	(95,722)
Reconciliation of funds:						
Fund balances at 1 April 2024		137,444	63,000	1,091,770	1,292,214	1,387,936
Fund balances at 31 March 2025		302,847	-	164,610	467,457	1,292,214

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

Prior financial year		Unrestricted funds	Endowment funds designated	Restricted funds	Total
	Notes	2024 as restated £	2024 as restated £	2024 as restated £	2024 as restated £
Income and endowments from:					
Donations and legacies	3	93,452	-	246,250	339,702
Charitable activities	4	1,860	-	-	1,860
Other trading activities	5	24,988	-	-	24,988
Investments	6	17	-	-	17
Other income	7	14,985	-	-	14,985
Total income		135,302	-	246,250	381,552
Expenditure on:					
Raising funds	8	82	-	9,656	9,738
Charitable activities	9	142,038	13,800	311,698	467,536
Total expenditure		142,120	13,800	321,354	477,274
Net income		(6,818)	(13,800)	(75,104)	(95,722)
Transfers between funds		25,033	-	(25,033)	-
Net movement in funds	11	18,215	(13,800)	(100,137)	(95,722)
Reconciliation of funds:					
Fund balances at 1 April 2023		119,229	76,800	1,191,907	1,387,936
Fund balances at 31 March 2024		137,444	63,000	1,091,770	1,292,214

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BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	18		421,581		1,231,999
Current assets					
Debtors	19	2,907		5,584	
Cash at bank and in hand		89,106		71,753	
		92,013		77,337	
Creditors: amounts falling due within one year	20	(46,137)		(17,122)	
Net current assets			45,876		60,215
Total assets less current liabilities			467,457		1,292,214
The funds of the charity					
Endowment funds - designated	22	-		63,000	
Restricted income funds	21	164,610		1,091,770	
Unrestricted funds	23	302,847		137,444	
		467,457		1,292,214	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 26 March 2026

Mr P J Devlin
Trustee

Company registration number 05698045 (England and Wales)

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		27,621		(78,798)
Investing activities					
Purchase of tangible fixed assets		(72,158)		(26,712)	
Proceeds from disposal of tangible fixed assets		61,880		17,009	
Investment income received		10		17	
Net cash used in investing activities			(10,268)		(9,686)
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			17,353		(88,484)
Cash and cash equivalents at beginning of year			71,753		160,237
Cash and cash equivalents at end of year			89,106		71,753

THE ISLAND N1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

The Island N1 is a private company limited by guarantee incorporated in England and Wales. The registered office is Pavilion 2000, Amy Johnson Way, Clifton Moor, York, YO30 4XT.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

The Trustees have considered the charity's financial position, cash flows, reserves and future plans. During the year ended 31 March 2021 the charity purchased land for a proposed development using a conditional donation of £1,000,000. Under the revised terms of that donation, the funds are required to be repaid if the charity sells the land and any excess of the proceeds over £300,000 will be repayable.

As part of the year-end review, the land was impaired to its estimated recoverable amount of £420,000, resulting in a reduction in the charity's unrestricted funds.

The charity has undertaken a strategic review of the organisation, including the development project. As at the date of approval of these financial statements, a decision has been taken to not proceed with the development. The charity will place the land up for sale and if required will repay the donation. Based on the current valuation this would lead to a repayment of approximately £120,000, which the charity would fund from the sale.

The Trustees consider the going concern basis to remain appropriate..

The financial statements do not include any adjustments that would result if the charity were unable to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Donations

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants receivable

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Government grants are recognised at the fair value of the asset received or receivable when there is a reasonable assurance that the grant conditions will be met and the grant will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. When a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Volunteers

The charity benefits greatly from the involvement and enthusiastic support of its volunteers, details of which are given in our annual report. In accordance with Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

1.5 Expenditure

Expenditure, which includes attributable VAT which cannot be recovered, is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the charity in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.

Governance costs, included in support costs, include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements and are allocated to charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Leasehold land and buildings	Over the life of the lease
Fixtures and fittings	33.3% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

The leasehold property relates to 1,2 Cloisters Mews, Bridlington and is subject to a 125 year lease that expires on 1 January 2134. It was valued by Zoopla at an estimated market value on acquisition in June 2017. Long leasehold properties are depreciated each year at the valuation divided by the term of the lease on a straight line basis. The property was sold in April 2024.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.10 Taxation

The Island N1 is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Creditors and provisions

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

After review the Trustee consider that there are no critical estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	85,927	175,198	261,125	82,358	246,250	328,608
Legacies	11,147	-	11,147	-	-	-
Grants	1,650	-	1,650	10,674	-	10,674
Membership fees	150	-	150	420	-	420
	<u>98,874</u>	<u>175,198</u>	<u>274,072</u>	<u>93,452</u>	<u>246,250</u>	<u>339,702</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Charitable activities		
Services provided under contract	1,400	1,860

5 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising events	7,576	24,988

6 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	10	17

7 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net gain on disposal of tangible fixed assets	-	14,985

8 Expenditure on raising funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fundraising and publicity						
Staging fundraising events	5,636	872	6,508	82	9,656	9,738

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9 Expenditure on charitable activities

	Mentoring services 2025 £	Mentoring services 2024 £
Direct costs		
Staff costs	199,250	303,794
Depreciation and impairment	816,663	13,800
Staff travel	398	939
Club expenses	2,113	12,053
Staff training	3,875	8,277
Mentor travel and activity costs	6,828	11,351
Team building, mentor training and DBS costs	6,783	8,749
School based mentoring costs	77	1,237
Property costs	13,116	20,028
Hamper of Hope costs	-	7
Tuition	2	357
Therapy	-	625
	<u>1,049,105</u>	<u>381,217</u>
Share of support and governance costs (see note 10)		
Support	43,972	72,105
Governance	7,110	14,214
	<u>1,100,187</u>	<u>467,536</u>
Analysis by fund		
Unrestricted funds	925,841	142,038
Endowment funds - designated	-	13,800
Restricted funds	174,346	311,698
	<u>1,100,187</u>	<u>467,536</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

10 Support costs allocated to activities

	2025 £	2024 £
Depreciation	2,913	18,451
Irrecoverable VAT	8,514	11,191
Postage and stationery	6,674	7,249
Telephone	7,367	6,510
Insurance	5,283	4,804
Advertising	871	7,839
Bank charges	480	315
Computer costs	8,389	4,359
Office costs	3,481	11,387
Governance costs	7,110	14,214
	<u>51,082</u>	<u>86,319</u>
Analysed between:		
Mentoring services	<u>51,082</u>	<u>86,319</u>

	2025 £	2024 £
Governance costs comprise:		
Audit fees	4,590	4,200
Accountancy	1,890	1,800
Legal and professional	630	8,573
New Lane, Huntington professional costs	-	(359)
	<u>7,110</u>	<u>14,214</u>

11 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	4,590	4,200
- for other financial services	1,890	1,800
Depreciation of owned tangible fixed assets	2,913	19,091
Impairment of owned tangible fixed assets	816,663	13,160
Loss/(profit) on disposal of tangible fixed assets	<u>1,120</u>	<u>(14,985)</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2025	2024
	£	£
For audit services		
Audit of the financial statements of the charity	4,590	4,200
	<u> </u>	<u> </u>
For other services		
All other non-audit services	1,890	1,800
	<u> </u>	<u> </u>

13 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

No Trustees were reimbursed any expenses incurred for services provided to the Charity.

14 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
	12	17
	<u> </u>	<u> </u>

Employment costs	2025	2024
	£	£
Wages and salaries	199,250	303,794
	<u> </u>	<u> </u>

The average number of full-time equivalent employees during the year was 5.67 (2024: 9.94).

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025	2024
	£	£
Aggregate compensation	37,057	54,936
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

15 Other expenditure

	Endowment funds designated 2025 £	Endowment funds designated 2024 £
Net loss on disposal of tangible fixed assets	1,120	-

16 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

17 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2025 £	2024 £
In respect of:		
Property, plant and equipment	816,663	13,160

18 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2024	1,169,242	80,000	17,643	26,490	1,293,375
Additions	71,909	-	249	-	72,158
Disposals	-	(80,000)	-	-	(80,000)
At 31 March 2025	1,241,151	-	17,892	26,490	1,285,533
Depreciation and impairment					
At 1 April 2024	4,488	17,000	15,531	24,357	61,376
Depreciation charged in the year	-	-	1,430	1,483	2,913
Impairment losses	816,663	-	-	-	816,663
Eliminated in respect of disposals	-	(17,000)	-	-	(17,000)
At 31 March 2025	821,151	-	16,961	25,840	863,952
Carrying amount					
At 31 March 2025	420,000	-	931	650	421,581
At 31 March 2024	1,164,754	63,000	2,112	2,133	1,231,999

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

18 Tangible fixed assets

(Continued)

During the year the charity carried out an impairment review of its freehold land, which is held for use in the charity's operations. A post year-end professional valuation performed on 11 November 2025 by Stephenson's Estate Agents & Chartered Surveyors, who are independent RICS-registered valuers, indicated a recoverable amount of £420,000, which provided evidence of a reduction in value at the balance sheet date.

As the recoverable amount was lower than the carrying amount, an impairment loss of £816,663 has been recognised in the Statement of Financial Activities within expenditure on charitable activities.

After recognising the impairment the carrying value of the freehold land at the balance sheet date is £420,000.

19 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Prepayments and accrued income	2,907	5,584

20 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	6,702	2,653
Trade creditors	31,693	6,928
Accruals and deferred income	7,742	7,541
	46,137	17,122

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024 as restated	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
The 29th May 1961	-	5,000	-	-	5,000
Sykes Trust	-	3,500	-	-	3,500
York Children's Trust	-	7,500	-	-	7,500
Gillian Stevenson	-	4,000	(1,333)	-	2,667
Two Ridings	12,996	9,360	(20,796)	-	1,560
Fundraising and mentoring costs	162	-	(162)	-	-
Huntington development	1,047,140	-	-	(927,140)	120,000
Plantlife	1,000	-	(1,000)	-	-
Core costs	-	109,638	(109,638)	-	-
National Lottery - Awards for All	7,640	-	(7,640)	-	-
York CVS	1,824	-	(1,824)	-	-
Sainsbury's Helping Everyone Eat Better Grant	1,500	-	(1,500)	-	-
Jack Brunton Charitable Trust	2,000	2,000	(2,834)	-	1,166
The Whitwam Foundation	-	4,000	(1,000)	-	3,000
Digital marketing coordinator	17,508	25,000	(23,758)	-	18,750
Hillards Trust	-	1,000	-	-	1,000
The Grocers Charity	-	4,200	(3,733)	-	467
	<u>1,091,770</u>	<u>175,198</u>	<u>(175,218)</u>	<u>(927,140)</u>	<u>164,610</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

21 Restricted funds

(Continued)

Previous year:	At 1 April 2023 as restated £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 as restated £
Nimbuscare	-	2,730	(2,730)	-	-
Two Ridings	942	12,054	-	-	12,996
Fundraising and mentoring costs	7,662	-	(7,500)	-	162
Huntington development	1,072,173	-	-	(25,033)	1,047,140
Plantlife	-	1,000	-	-	1,000
Core costs	94,033	190,000	(284,033)	-	-
National Lottery - Awards for All	-	7,950	(310)	-	7,640
York CVS	-	1,824	-	-	1,824
Sainsbury's Helping Everyone Eat Better Grant	-	1,500	-	-	1,500
Jack Brunton Charitable Trust	-	2,000	-	-	2,000
Digital marketing coordinator	17,097	25,000	(24,589)	-	17,508
Foxwood youth club	-	2,192	(2,192)	-	-
	<u>1,191,907</u>	<u>246,250</u>	<u>(321,354)</u>	<u>(25,033)</u>	<u>1,091,770</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

21 Restricted funds

(Continued)

The 29th Mat 1961 - Donation for a sensory garden within the Huntington Development.

Sykes Trust - Grant to support the 15 young people meeting weekly for a total of 52 sessions.

York Children's Trust - Grant towards mentoring of young people aged 8 to 18 years.

Gillian Stevenson - Grant towards mentoring of young people aged 8 to 18 years and up to 25 with additional needs.

Two Ridings - Bursary towards Mentoring Service Manager.

Fundraising and mentoring - Grants for mentoring service and fundraising work, and mentoring of young people aged 8 to 18 years.

Huntington development - Donations to be applied for the purchase of freehold land on the north side of Thornfield Farm, New Lane, Huntington, York, YO32 9TA and the subsequent development. The transfers in 2024 and 2025 reflects the funds used for the subsequent development with a corresponding transfer to fixed assets. The charity decided not to go ahead with the development. The closing balance relates to a donation of the excess above £300,000 of sale proceeds on the sale of land donated to the charity.

Plantlife - Grant from the Growing Community Connections Project to help toward environmental planning at our Huntington development.

Core costs - Grants and donations to support the charity's core costs.

National Lottery - Grant from the Awards for All Scheme, in support of The Island's food bank.

York CVS - Grant from the Ways to Wellbeing fund to provide a series of workshops to help children transition to secondary school.

Sainsbury's - Neighbourly grant towards "helping everyone eat better".

Jack Brunton Charitable Trust - Grant to provide counselling to children and young people.

The Whitwam Foundation - Grant to support the 12 young people meeting weekly for a total of 52 sessions.

Digital marketing coordinator - Grant to support the employment of a Digital Marketing Coordinator.

Hillard Trust - Grant to cover mentor session costs

The Grocers Charity - Grant to support young people aged 12 to 15 to have safe and engaging place to come after school for one day over 30 weeks.

Nimbuscare - Grant towards the one-to-one mentoring costs for 6 vulnerable young people.

Foxwood youth club - Grant towards the costs of running on open access youth club for young people aged 13 to 18 years at the Foxwood Community Centre.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

22 Endowment funds - designated

These are endowment funds which are material to the charity's activities.

	At 1 April 2024 £	Resources expended £	Transfers £	At 31 March 2025 £
Bridlington Flat	63,000	(1,120)	(61,880)	-
Previous year:	At 1 April 2023 £	Resources expended £	Transfers £	At 31 March 2024 £
Bridlington Flat	76,800	(13,800)	-	63,000

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 as restated £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Huntington build development	164,754	-	(236,663)	71,909	-
General funds	(27,310)	107,860	(694,814)	917,111	302,847
	137,444	107,860	(931,477)	989,020	302,847
Previous year:	At 1 April 2023 as restated £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 as restated £
Huntington build development	140,718	-	-	24,036	164,754
General funds	(21,489)	135,302	(142,120)	997	(27,310)
	119,229	135,302	(142,120)	25,033	137,444

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

24 Analysis of net assets between funds

	Unrestricted funds	Endowment funds designated	Restricted funds	Total
	2025	2025	2025	2025
	£	£	£	£
At 31 March 2025:				
Tangible assets	301,581	-	120,000	421,581
Current assets/(liabilities)	1,266	-	44,610	45,876
	<u>302,847</u>	<u>-</u>	<u>164,610</u>	<u>467,457</u>
	Unrestricted funds	Endowment funds designated	Restricted funds	Total
	2024	2024	2024	2024
	£	£	£	£
At 31 March 2024:				
Tangible assets	168,999	63,000	1,000,000	1,231,999
Current assets/(liabilities)	(31,555)	-	91,770	60,215
	<u>137,444</u>	<u>63,000</u>	<u>1,091,770</u>	<u>1,292,214</u>

25 Financial commitments, guarantees and contingent liabilities

During the year ended 31 March 2021 the charity received a donation of £1,000,000 to fund the purchase of land for a proposed development. The revised terms of the donation require repayment of the excess amount of sale proceeds over £300,000.

At the balance sheet date, and at the date of approval of these financial statements, the Trustees have now reached a decision that the development will not go ahead.

The land will be sold to fund the repayment. The land has been impaired to its recoverable amount of £420,000, creating a potential repayment of approximately £120,000.

As the obligation to repay the donation is dependent on future events that are not considered probable at the reporting date, the potential repayment is disclosed as a contingent liability, and no provision has been recognised.

26 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
	£	£
Within one year	-	2,659

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

27 Related party transactions

During the year trustees and related parties donated £Nil (2024: £1,000) to the charity.

There have been no further transactions requiring disclosure during the year (2024: None).

28 Cash generated from/(absorbed by) operations	2025 £	2024 £
Deficit for the year	(824,757)	(95,722)
Adjustments for:		
Investment income recognised in statement of financial activities	(10)	(17)
Loss/(gain) on disposal of tangible fixed assets	1,120	(14,985)
Depreciation and impairment of tangible fixed assets	819,576	32,251
Movements in working capital:		
Decrease in debtors	2,677	5,560
Increase/(decrease) in creditors	29,015	(963)
(Decrease) in deferred income	-	(4,922)
Cash generated from/(absorbed by) operations	27,621	(78,798)

29 Analysis of changes in net funds

The charity had no material debt during the year.

30 Prior period adjustment

A prior period adjustment has been made to correct a historic error in the classification of a £1,000,000 restricted donation received in 2021 for the acquisition of land to build a community centre. In the 2021 financial statements this restricted income was incorrectly transferred to designated unrestricted funds as project expenditure was incurred. As the donor-imposed restriction had not been met, this transfer was not permitted under the Charities SORP (FRS 102).

The 2024 opening fund balances have been restated to reverse this transfer, resulting in an increase of £1,000,000 in restricted funds and corresponding decrease in unrestricted funds. The adjustment has no impact on total funds or on the Statement of Financial Activities for any prior year.